

August 16, 2024

John Hairston
Administrator and CEO
Bonneville Power Administration
Submitted via email

Dear Administrator Hairston,

Northwest Requirements Utilities (“NRU”) sincerely appreciates last week’s candid discussion with BPA staff and executives on the agency’s ongoing consideration of day-ahead market participation. As you know, NRU represents the interests of 57 Load Following preference customers, comprising nearly 30% of BPA’s Tier 1 load, all of whom hold Network Transmission contracts with BPA.

As a preliminary matter, NRU appreciates BPA’s continued exploration of the available market alternatives. Given the size and position of BPA within the region, it is essential that BPA engage in the development of both day-ahead market alternatives – SPP’s Markets+ and CAISO’s EDAM – as these markets are certain to be critical to the reliable delivery of the region’s power supply going forward. Additionally, NRU appreciates BPA’s recent commitment to the West-wide Governance Pathways Initiative, given the recognized benefits of a market with broadest possible market footprint. NRU continues to value BPA’s engagement and leadership on all regional market issues; as load following customers, we maintain that an organized market that makes sense to NRU members is one that should make sense to the agency.

When analyzing the costs, benefits, and risks of the available market alternatives, NRU continues to prioritize independent governance, forecast financial impacts, preservation of members’ statutory preference rights, market design, and greenhouse gas accounting. Specific to market participation itself, NRU maintains the position that BPA’s decision-making must be based on thorough, objective analysis, while at the same time ensuring that all available day-ahead market alternatives remain viable.

With the above priorities in mind, and in response to last week’s discussion, NRU strongly encourages BPA to take whatever steps necessary to ensure the continued viability of SPP’s Markets+ alternative. In doing so, NRU asks that BPA clearly articulate the available options for

preserving the Markets+ alternative and the relative costs of each. Additionally, while NRU supports BPA taking any steps that the Administrator deems necessary, to the extent significant financial commitments are required, we ask that the specific drivers for the timing of those investments be made clear to customers.

Though the most recent financial impact analysis may indicate a significant divergence in forecast near-term benefits for the markets in question, the long-term comparative benefits of the available market alternatives remain uncertain. NRU looks forward to continuing to engage with BPA and its stakeholders to make an informed recommendation in response to BPA's publication of its draft policy on day-ahead market participation. Prior to any market decision, however, it is clear that additional public discussion is necessary. Given the cancellation of the Day-Ahead Markets Workshops scheduled for August 6 & 7 and your announcement during yesterday's QBR, NRU looks forward to an updated decision timeline and expected publication of BPA's draft policy on day-ahead market participation. Finally, NRU encourages BPA to make any and all updated financial and operational analyses publicly available as soon as is practicable.

Thank you once again for your consideration of these comments. We look forward to working with you throughout the remainder of this public process.

Sincerely,



Zabyn Towner
Executive Director
Northwest Requirements Utilities

CC: Suzanne Cooper, Senior Vice President, Power Services, Bonneville Power Administration
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